

Climate Change Accountability Report

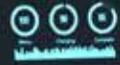
2022



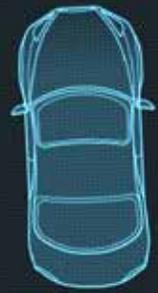


EV
CHARGING

EV CHARGING



83%
COMPLETE



Who we are

BCLC is a social purpose gambling entertainment company committed to delivering win-wins for the greater good. This is why we exist and the lens through which we operate daily.

The Government of British Columbia created BCLC as a Crown corporation in 1985 to responsibly conduct and manage gambling for the benefit of British Columbians. BCLC conducts and manages commercial lottery, casino, sports and bingo gambling through multiple distribution channels.

Private-sector service providers operate 37 gambling facilities across B.C. through operational service agreements with BCLC. National and provincial lottery and sports betting products are sold at approximately 3,500 retail locations, operated by private-sector retailers. PlayNow.com is BCLC's secure and regulated online and mobile channel, with a growing portfolio of lottery games, sports betting, slots, table games and bingo entertainment.

More broadly, we generate meaningful revenue that empowers BCLC to contribute more than \$1 billion back into the province every year. By providing innovative and exciting lottery, casino and sports gambling experiences for our players, we unlock capital which helps the communities in our province to grow and flourish.

Our head office is in Kamloops, with a secondary office in Vancouver. We employ approximately 1,150 employees in our offices and across the province. Declaration statement:

This Climate Change Accountability Report for January 1, 2022 to December 31, 2022, summarizes BCLC's emissions profile, the total offsets to reach net-zero emissions, the actions taken in 2022 to reduce greenhouse gas emissions, and the plans to continue reducing emissions in 2023 and beyond.

By June 30, 2023, BCLC's Climate Change Accountability Report will be posted to the www.bclc.com website.





Overview

BCLC increased its commitment to ensuring business operations align with the Government of B.C.'s CleanBC¹ climate plan and its targets and strategies for reducing greenhouse gas (GHG) emissions and moving towards a low carbon economy. In 2022, BCLC:

- Completed a Climate Risk Assessment to determine impacts of climate change on BCLC operations.
- Conducted Scope 3 emissions assessment to determine most material Scope 3 categories and begin to develop a climate strategy to reduce emissions while managing related risks.
- Developed a comprehensive ESG framework with supporting metrics and KPIs.
- Developed an ESG policy.
- Updated the Strategic Energy Management Plan (SEMP).
- Continued to maximize the efficiency of electricity and heating consumption in offices.
- Increased the digitalization of documents and processes.
- Purchased two new electric vehicles (EVs) towards goal transitioning entire fleet to EVs by 2026.

¹ For more information on CleanBC , refer to: <https://cleanbc.gov.bc.ca/>

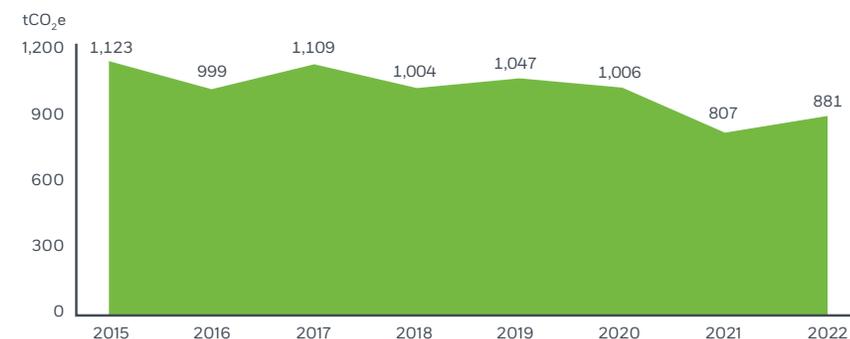
The COVID-19 pandemic continued to impact BCLC's GHG emissions. The effects vary between the different emission sources. Stationary sources of GHG emissions remained relatively constant compared to previous years. Mobile emissions remained constant compared to 2021, but significantly less than pre-pandemic numbers. Paper usage went up roughly 25 per cent compared to 2021 but remained at about 50 per cent compared to historical usage. Transitioning out of COVID, BCLC will continue to enhance the positive climate benefits of working remotely, such as increased digitization, less printing, and less travel between offices. In addition to enhancing employees' work/life balance, using less energy, reducing GHG emissions per FTE (Full Time Equivalents), and reducing emissions related to commuting, working remotely will also delay the need for increased capacity for office space.

The following table provides a summary of BCLC's activity data associated with its main emission sources in the last eight years. The numbers indicate a downward trend not including natural gas usage that is linked to the aging Kamloops facility.

Table 1: Activity data for significant emission sources

Year	2015	2016	2017	2018	2019	2020	2021	2022
Natural Gas (GJ)	15,092	13,260	15,205	14,248	14,414	14,116	14,256	15,296
Electricity (GJ)	32,522	28,712	26,209	25,827	25,218	23,655	23,373	22,500
Fleet Gas (L)	14,017	21,030	30,388	29,361	39,132	11,081	7,678	16,874
Office Paper (PKG)	4,616	3,740	3,328	3,548	3,012	1,234	1,609	1,990

GHG Inventory Activity Data t CO₂e





Below is a summary of the actions taken in 2022 and go-forward plans by emission sources.

Stationary sources—buildings

BCLC's Kamloops headquarters renovation project phase one has been approved to incorporate high sustainability design. BCLC is like many other organizations in B.C. in that 80-90 per cent of Scope 1 emissions are attributed to the combustion of natural gas for space heating. The renovation design will include a geo-exchange Ground Source Heating Pump (GSHP) Solution thereby achieving an 80 per cent reduction in GHG emissions while mitigating the climate related risks (heat domes, etc.). The Kamloops facility upgraded lighting to more energy efficient LEDs in the second level parking deck (approximately 77,000 square feet), two meeting rooms and an employee common space.

BCLC formally enrolled in BC Hydro's Energy Management program In August of 2021. BCLC remains in the BC Hydro EM Program and aligned with Clean BC's climate action goals. The EM Program allows organizations to adopt a continuous improvement approach to energy management and optimize energy conservation measures. This system allows organizations to continually cycle through the process to ensure a lasting conservation culture. The program gives BCLC access to the full suite of BC Hydro and Clean BC incentive programs to assist with studies and implementation of Energy Conservation Measures (ECMs).



STATIONARY FUEL COMBUSTION- NATURAL GAS FOR HEATING

BCLC's natural gas use increased six percent due to the cooler winter compared to 2021, as the variables for consumption and associated emissions are mostly related to weather.

STATIONARY FUEL COMBUSTION- DIESEL FOR GENERATOR

Diesel usage is limited to a monthly one-hour test on a diesel generator on site, or if service work is being carried out. The surplus fuel is carried over to the following year.

AIR CONDITIONING AND REFRIGERATION

Consumption of refrigerant gas occurs largely due to leaks in the stationary air conditioning system. BCLC conducts visual checks weekly and tests equipment once a month. An independent third party also tests the equipment twice annually to ensure all leaks are identified and addressed in a timely manner.

In 2021, there were no fugitive emissions associated to any refrigerant specified as greenhouse gas. BCLC purchased a portable leak detection device and a fixed device. Going forward, this will help detect and quickly correct smaller fugitive emissions immediately, reducing emissions from the leak.

OFFICE PAPER

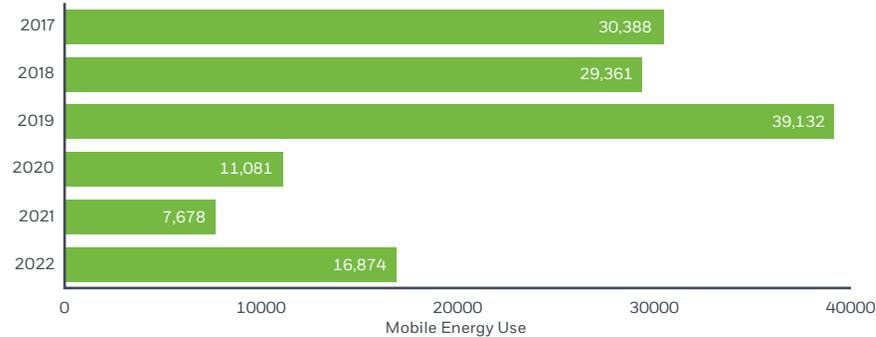
BCLC's consumption of office paper increased 25 per cent compared to 2021 but remained at approximately 50 per cent relative to pre-pandemic numbers. The increase in 2022 was due to more staff returning to the office.



MOBILE SOURCES-TRANSPORTATION

BCLC has 13 vehicles in its fleet, mostly used by employees for travel between Kamloops and Vancouver or for travel between managers and technicians to gaming facilities. The 2022 mobile emissions from fleet (mobile combustion) increased roughly 25 percent compared to 2021 but remain approximately 50 percent lower than pre-pandemic levels due to increased virtual meeting options and discouraging discretionary business travel while encourage carpooling. The emission reduction was also influenced by the purchase of two electric fleet vehicles in 2022, in addition to advanced hybrid technology with improved fuel efficiency. In 2021, BCLC began planning to replace the existing fleet with electric vehicles over the next 2–5 years. In 2022, BCLC installed EV chargers in both the Kamloops and Vancouver offices to support the corporations New EVs.

The graph below shows the impacts of Covid 19 and the residual pandemic-related behavior changes on corporate travel.



Supporting initiatives

GREEN COMMITTEE

The Green Committee is a grassroots initiative at BCLC run by employees. In 2021 their activities remained partially constrained by COVID-19 restrictions and remote working. The committee organizes lunch and learn sessions for employees on a wide range of sustainability topics.



SOCIAL PURPOSE AND SUSTAINABILITY TEAM 2021

BCLC's recently approved social purpose statement, "We exist to generate win-wins for the greater good" is the foundation for the next chapter in the organization's journey to make a positive and lasting impact. Over the coming months, guided by an Environmental, Social, and Governance (ESG) framework, BCLC will develop a comprehensive strategy that further supports our people, place, and planet, thereby increasing the long-term value and sustainability for all BCLC stakeholders.

To enable this transformation across ESG factors, BCLC has established an ESG Working group chaired by the Chief Social Purpose Officer and VP, External Relations. Over 2022, BCLC started identifying KPIs to measure and report on our progress towards the following high-level goals:

- BCLC will meet or exceed provincial GHG reduction targets, align with the International Science Based Targets initiative (SBTi), and develop a long-term plan to be net zero by 2030.
- BCLC will publicly declare social justice and equity practices and align our strategies for alignment with internationally recognized programs.
- BCLC will develop a plan to transition from a linear-based supply chain to a circular-based economy model. This will move us beyond just reducing waste and increasing recycling rates to a closed loop/full life cycle system of products and services that also integrates ESG principles.

Plans and actions for 2023–2024

BCLC will establish itself as a key provincial stakeholder in the climate change imperative. In 2023–24 BCLC plans to:

- Develop Climate Strategy to reduce scope 3 emissions while mitigating climate-related risks across operations.
- Conduct a comprehensive Environmental, Social and Governance risk assessment.
- Continue to plan for the major renovation of BCLC headquarters with high performance sustainability components.
- Implement BCLC's ESG framework to align BCLC with provincial climate goals.
- Continue to Engage with tier 1 suppliers to BCLC support and align with the UNSDGs and UNDRIP.

Emissions and offset summary table

GHG EMISSIONS CREATED IN CALENDAR YEAR 2022

Total offsets (tCO ₂ e)	881
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ADJUSTMENTS TO OFFSET REQUIRED GHG EMISSIONS REPORTED IN PRIOR YEARS

Total offsets adjustment (tCO ₂ e)	-1
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GRAND TOTAL OFFSETS FOR THE 2022 REPORTING YEAR

Grand total offsets (tCO ₂ e) for 2022 reporting year	880
Offset investment (\$25 per tCO ₂ e)	\$22,000.00
Grand total offsets to be retired x \$25/tCO ₂ e (Including GST)	\$23,100.00

- i. [Note, BioCO₂ is included in Total Emissions but not Total Offsets. For K-12 and Post-Secondary organizations, and BC Transit, Total Offsets will not equal Total Emissions minus Total BioCO₂ because offset exempt emissions for buses are included within Total Emissions.
- ii. Emissions and offset investment amounts will be validated by the Crown Agencies AS prior to distributing invoices.
- iii. You must round "Grand Total Offsets to be Retired" to a whole number (no decimal places) before multiplying by \$25 (e.g., 43.2 = 43, 43.5 = 44).]





RETIREMENT OF OFFSETS

In accordance with the requirements of the *Climate Change Accountability Act* and Carbon Neutral Government Regulation, BCLC (the Organization) is responsible for arranging for the retirement of the offsets obligation reported above for the 2022 calendar year, together with any adjustments reported for past calendar years (if applicable). The Organization hereby agrees that, in exchange for the Ministry of Environment and Climate Change Strategy (the Ministry) ensuring that these offsets are retired on the Organization's behalf, the Organization will pay within 30 days, the associated invoice to be issued by the Ministry in an amount equal to \$25 per tonne of offsets retired on its behalf plus GST.

Executive sign-off

A handwritten signature in black ink, consisting of a horizontal line with a complex, looped flourish above it.

PETER TER WEEME

Chief Social Purpose Officer and Vice President, External Relations

May 31, 2023



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